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TO RUEHKL/AMEMBASSY KUALA LUMPUR 0000
RUEHGP/AMEMBASSY SINGAPORE 0000
INFO RUEAIIA/CIA WASHINGTON DC
RHMCSUU/FBI WASHINGTON DC 0000
RUETIAA/DIRNSA FT GEORGE G MEADE MD
RUCPDOC/USDOC WASHINGTON DC 0000
RUEKJCS/SECDEF WASHINGTON DC

UNCLAS STATE 123909

SIPDIS KUALA LUMPUR FOR WYNN PINKSTON ECON SINGAPORE FOR MATTHEW EASTER ECON

E.O. 12958: N/A
TAGS: ETTC KOMC MY SN
SUBJECT: BLUE LANTERN LEVEL 3: POST-SHIPMENT END-USE CHECK
ON LICENSE 05-1008904

REF: 2006 BLUE LANTERN GUIDEBOOK

- 11. This is an Action Request. See paragraphs 2-4.
- 12. The Department's Office of Defense Trade Controls Compliance (PM/DTCC) requests Posts' assistance in conducting a post-shipment check on license 05-1008904 for the export of International Traffic in Arms (ITAR)-controlled night vision devices (NVDs) to Malaysia. Posts are requested to complete this Blue Lantern inquiry within 45 days. Lack of response to a Blue Lantern inquiry will affect pending and future licenses involving parties to this license.
- 13. Reason for request: Due to the sensitivity of the equipment and the potential for their diversion or misuse, the Department of State and the Department of Defense have policies of carefully scrutinizing NVD export licenses and taking steps to ensure proper end-use. Provisos attached to these licenses obligate the end-user to secure the NVDs from loss, theft, or unauthorized access, and to perform routine inventory checks by serial number. These records are to be made available for review upon U.S. Government request.
- 14. Action Kuala Lumpur: The Department requests that Post inquire within the Malaysian Government to confirm the continued possession of the NVDs by the Royal Malaysian Police, Narcotics Department. Verify the serial numbers of the NVDs and confirm that all of them are secure and being used only for the purpose stated on the license. Department further requests that Post conduct a site visit in order to gather and verify this information. If a site visit is not possible, please obtain official, written confirmation of receipt and possession of the NVDs by the end-user, and inform the PM/DTCC case officer.

Action Singapore: Post is requested to make appropriate inquiries with Foreign Consignee Lexian Electronics to determine its specific role, and confirm the legitimacy of the transaction.

The following questions are provided as guidance:

- -- How long has this company been involved in business operations with the Malaysian government? Does it have a regular business relationship with the Malaysian government?
- --Does the company have secure facilities and proper accounting and security procedures for handling sensitive United States Munitions List (USML) items?

--Were all of the NVGs ordered by Lexian provided to the Royal Malaysian Police? If not, where are the others?

--Does Lexian Electronics understand the restrictions on USML items, especially the prohibition against unauthorized re-transfer and re-export?

END ACTION

15. Details of license application:

DTC Case: 05-1008904

OUANTITY/COMMODITY:

10 AN/PVS-7B Style, GEN III FOM 1250 Night Vision Goggles

License Value: USD 31,265.

COMMENT: According to U.S. export data, "Prism Binoculars" were exported to Malaysia on 01 November 2006.

END COMMENT

SELLER:

DRS Technologies, Inc. Night Vision Systems, Inc. 542 Kemmerer Lane Allentown, PA 18104 Tel: (6102) 391-9101

FOREIGN (INTERMEDIATE) CONSIGNEE:

Graham R. Dare
Managing Director
Lexian Electronics Pte Ltd.
346 Balestier Road, #06-05
Singapore 329776
Tel: 65 6256 4148
Fax: 65 6256 4127
Email: lexelec@singnet.com.sg

FOREIGN END-USER:

Khairul Naim Bin Adham Pen. Setiausaha (PL) T4 Royal Malaysian Police Kesselamatan DLM Negeri Kem Bahagian Perolehan Bukit Aman Kuala Lumpur 50560 Malaysia

PURPOSE: For use in night patrols.

- 16. Submitted in support of the license application were the following documents (PM/DTCC will fax documentation to Posts upon request):
- -- Department of State License for Permanent Export of Unclassified Defense Articles and Related Unclassified Technical Data with Provisos dated 11 August 2006;
- -- Department of State Nontransfer and Use Certificate dated 22 August 2005;
- -- Lexian Electronics' End Use Statement for Purchase Order LX(S)/200/014/1061 dated 23 January 2006.
- 7 Please slug reply for PM/DTCC BLUE LANTERN COORDINATOR and include the words "Blue Lantern" and the case number in the subject line. POC is Rachael-Therese S. Joubert-Lin, Phone: 202-663-2950; Email: JoubertLinRS@state.gov; SIPRNET: JoubertLinRS@state.sgov.gov. The Blue Lantern Guidebook (ref) is available as a PDF file at

http://www.intelink.sgov.gov/wiki/Blue Lantern End-Use
Monitoring Program.

 $\underline{\ensuremath{\P}}8$. Department is grateful for Posts' assistance in this matter. CLINTON